

CROSSROADS REDEVELOPMENT PROJECT AREA SECOND FIVE-YEAR IMPLEMENTATION PLAN OF JULY 2008 – JUNE 2013 MID-TERM PROGRESS REPORT

This Mid-Term Progress Report has been prepared in accordance with California Health and Safety Code Section 33490(c), which requires every redevelopment agency, at least once during the five-year term of each implementation plan, to conduct a public hearing and hear testimony of all interested parties for the purposes of reviewing the redevelopment plan and the corresponding implementation plan for each redevelopment project and evaluating the progress of the redevelopment project.

The Crossroads Redevelopment Plan (Redevelopment Plan) was adopted by the City Council on May 6, 2003, and is administered by the Redevelopment Department of the City of San Diego. The Redevelopment Plan, which covers a 1,031-acre Crossroads Redevelopment Project Area (Project Area), was adopted to eliminate conditions of blight within the boundaries of the Project Area by facilitating new construction, the revitalization and upgrading of commercial, residential and public properties, and the revitalization of facilities adjoining the Project Area. The Second Five-Year Implementation Plan (Plan) was adopted on May 13, 2008. There have been no amendments to the Second Five-Year Implementation Plan for the Crossroads Redevelopment Project Area.

PLAN OBJECTIVES

The Crossroads Redevelopment Plan outlines the objectives for the Project Area. The Second Five-Year Implementation Plan further delineates the Agency's redevelopment objectives for the Project Area. These objectives, which are listed below, are employed to formulate the overall strategy for the Implementation Plan and serve as a guide for the Agency's redevelopment activities.

- Eliminate and prevent the spread of blight and deterioration, and redevelop the Redevelopment Project Area in accordance with the General Plan, applicable Community Plans, this Plan, and local codes and ordinances.
- Enhance economic growth within the Project Area by continuing ongoing efforts to revitalize commercial areas, particularly the commercial corridors along El Cajon Boulevard and University Avenue, and the nodes at Billman Street/College Avenue and Redwood Street/54th Street, and evaluate establishing Business Improvement Districts (BIDs), Maintenance Assessment Districts (MADs) or other districts when and if appropriate.
- Enhance and promote new development opportunities, such as commercial, residential (market rate and affordable), mixed-use, and employment.

- Improve the flow of traffic, relieve congestion on commercial and residential streets located within the Project Area, and otherwise enhance the quality of pedestrian and vehicular mobility, and improve transportation facilities, which support the vitality, safety, and viability of the Project Area.
- Alleviate the shortage of commercial and residential parking while avoiding negative impacts on residential neighborhoods by implementing a coordinated and comprehensive plan for the proportional distribution and proper configuration of parking spaces and facilities.
- Expand employment opportunities for Project Area residents by encouraging and improving accessibility of employment centers within and outside the Project Area.
- Improve public infrastructure and undertake feasible public improvements in, and of benefit to, the Project Area, such as widening, connecting, reducing, or otherwise modifying existing roadways, or creating additional streets, walkways, and paths for proper pedestrian and/or vehicular circulation.
- Expand recreational opportunities of Project Area residents by developing park facilities at North Chollas Community Park per the approved General Development Plan (GDP) and recreation facilities at South Chollas Park, and by identifying, acquiring, and developing neighborhood parks, joint-use parks, and green spaces where there is a deficiency in local parks and landscape buffer zones.
- Preserve existing single-family and multiple-family housing stock and provide choices for potential buyers of new and rehabilitated housing opportunities.
- Create an attractive and pleasant environment within the Project Area.
- Focus on retention, expansion, and attraction of neighborhood-supporting and -serving businesses, and work with local organizations (BIDs, MADs, Community Councils, and Neighborhood Associations).
- Provide assistance during the permitting process for projects within the Project Area.
- Support enforcement of Municipal Code violations.
- Provide for safe and enhanced pedestrian access to commercial establishments and transit along commercial and transit corridors.
- Provide assistance and support for energy conservation, energy efficiency, sustainability, and water conservation (i.e., xeriscape).
- Support advanced crime prevention measures in the Project Area.

ACTIVITY

Since the Plan's adoption, the Project Area accomplished the following items, which were included in the July 2008–June 2013 Work Program:

Work Program: Housing Enhancement Loan Program –

Description: Continue to implement and improve a single-family housing rehabilitation program to assist low to moderate households. The goal is to assist with deferred maintenance, code deficiencies, health and safety violations, and zoning deficits.

Accomplishment: The **Crossroads Housing Enhancement Loan Program (HELP)** was established on May 18, 2004, to provide low-and moderate-income homeowners with home rehabilitation loans. The Agency has an agreement with the San Diego Housing Commission to manage and administer the program. As of October 31, 2010, 45 low- and moderate-income homes have been completed or are under rehabilitation, utilizing \$786,174 in Agency funds and leveraging an additional \$302,225 of San Diego Housing Commission loans and owner funds. The HELP guidelines were revised on October 25, 2008, and the program's eligibility area was expanded into several surrounding neighborhoods (Census Tracts 27.03, 27.09, and 27.10). In the Fiscal Year 2010-11 budget, the Agency allocated \$264,000 of housing funds for this program and will consider funding annually.

Work Program: Commercial Rehabilitation Program –

Description: Develop and implement a commercial rehabilitation (storefront) program to assist existing and new small business and property owners. The goal is to improve commercial buildings and increase retail and office activity.

Accomplishment: The Redevelopment Agency's **Storefront Improvement Program (RA-SIP)** was established on March 23, 2010, to assist small business owners and owners of small commercial properties in rehabilitating the commercial façades of their properties for the purpose of creating a positive visual impact, stimulating private investment, and complementing other community revitalization efforts. The Agency entered into an agreement with the City of San Diego's Office of Small Business to manage and administer the RA-SIP in conjunction with the City-wide Storefront Improvement Program. In the Fiscal Year 2010-11 budget, the Agency allocated \$250,000 of non-housing funds for this program and will consider funding annually.

Work Program: Nodes & Gateway Development –

Description: Proactively seek and assist in development of new commercial, residential, and mixed-use projects at community nodes and gateways.

Accomplishment: New retail development has occurred along El Cajon Boulevard at the intersections of 54th Street and near College Avenue.

Work Program: Multi-Family Development –

Description: Assess potential of working with multi-family residential property owners on a case-by-case basis regarding rehabilitation and redevelopment opportunities. The goal is to retain, improve, and enhance existing multi-family dwellings.

Accomplishment: The Redevelopment Agency entered into an **Owner Participation Agreement (OPA)** with Wakeland Housing and Development on October 28, 2008, to acquire and rehabilitate 92 rental units at Village Green Apartments within the Project Area. The Agency invested \$5,788,475 into the project. The project also received a subsidy of \$2,100,000 from the San Diego Housing Commission.

The rehabilitation included upgrades to kitchens, bathrooms, common laundry facilities, community room, pool and shower facilities, and the installation of state-of-the-art playground equipment. Americans with Disabilities Act (ADA) accessibility enhancements included the addition of five accessible units and walkway ramps to the community room and pool. With conservation in mind, Village Green also has water- and energy-saving appliances and fixtures, efficient landscape irrigation, a synthetic playground lawn, dual pane low-e vinyl windows, and roof-mounted solar photovoltaic (PV) panels for electrical demand in common areas all incorporated into the design. Several key “safety by design” features are based on tips provided by the San Diego Police Department. The rehabilitation used eco-friendly materials, such as recycled content material on playground area surfaces and equipment, exterior furniture, drywall, sidewalks, ceramic tile, carpet, and carpet pads. Locally produced materials and local suppliers were used when possible.

Work Program: Economic Development –

Description: Investigate, develop, and implement a program to retain, attract, and expand existing neighborhood-supporting and -serving businesses.

Accomplishment: Agency staff attends monthly Business Improvement District (BID) meetings and responds to inquiries from property owners, business owners, and developers. Also, see previously noted **Storefront Improvement Program**, which has been established and is being implemented within the Project Area.

Work Program: Infrastructure & Park Deficiencies –

Description: Begin and continue to work with City Departments to address infrastructure and park deficiencies. The goal is to provide public improvements and facilities to support, assist, and encourage rehabilitation and development.

Infrastructure Deficiencies –

Accomplishment: On September 11, 2007, the Redevelopment Agency allocated to the City \$500,000 of tax increment funds to install additional **streetlights** along University Avenue from 54th Street to 68th Street. Construction commenced on December 15, 2009, to install 29 new streetlights, and these new streetlights were energized on April 26, 2010.

Accomplishment: On April 14, 2009, the Redevelopment Agency allocated to the City \$580,000 of tax increment funds to install additional **streetlights** along El Cajon Boulevard from 54th Street to 73rd Street and along Streamview Drive from 54th Street to College Grove Drive. Construction is expected to commence in March 2011 to install 33 new streetlights along El Cajon Boulevard and 15 new streetlights along Streamview Drive with completion expected by September 2011.

Accomplishment: On May 11, 2010, the Redevelopment Agency allocated to the City \$450,000 of tax increment funds to install **traffic signals** along College Avenue at the intersections of Adams Avenue and Arosa Street.

Accomplishment: Agency staff, City engineers, and consultants are currently evaluating **sidewalk improvements** along El Cajon Boulevard, College Avenue, University Avenue, and 54th Street and within the Chollas Creek Neighborhood, and the installation of **streetlights** along College Avenue and 54th Street within and adjacent to the Project Area.

Infrastructure improvements throughout and adjacent to the Project Area will improve pedestrian safety and mobility by creating a safe, walkable environment for residents, visitors, and merchants.

Park Deficiencies –

Accomplishment: On July 28, 2009, the Redevelopment Agency authorized the submittal of a loan application to the State of California Infrastructure and Economic Development Bank (I-Bank) for up to \$2,000,000 to fund the construction of a **Multi-Purpose Building** in North Chollas Community Park and authorized the transfer of \$952,000 of tax increment funds to the City for this project.

The neighborhoods adjoining North Chollas Community Park are not currently served by a park, and the region is deficient in sports facilities and open park areas based on General Plan Guidelines. Neighborhood associations have identified the construction of a Multi-Purpose Building adjacent to the existing ball field at North Chollas Community Park as a high priority. The proposed Multi-Purpose Building is approximately 1,800 square feet and includes men's/women's and a family restroom, a concession stand, and Park & Recreation Department and field storage space.

Work Program: Mobility Plan(s) and/ or Master Infrastructure Improvement Plan (s) –

Description: Investigate developing a plan for improving mobility and infrastructure along El Cajon Boulevard, University Avenue, College Avenue, and Streamview Drive. Eventually implement and fund plan recommendations.

Accomplishment: City engineers and consultants are currently working on a **corridor study** for University Avenue funded by the Redevelopment Agency. A consultant team was recently selected for this project. A **traffic analysis** for Streamview Drive is being conducted by City engineers and consultants.

Work Program: Low & Moderate-Income Housing Funds –

Description: Implement and monitor housing strategy for expenditure of low- and moderate-income housing funds.

Accomplishment: As of November 30, 2010, 45 low- and moderate-income homeowners have received **HELP** loans, utilizing \$786,174 in low- and moderate-income housing funds. In the Fiscal Year 2010-11 budget, the Agency allocated \$264,000 of low- and moderate-income housing funds for **HELP**. The Agency invested \$5,788,475 of low- and moderate-income housing funds into the **Village Green Apartments** to acquire and rehabilitate 92 rental units.

Work Program: Additional Funding –

Description: Apply for federal, state, and other grant funds to implement public improvements and private development projects. The goal is to increase the amount of public aid and funding for public improvements.

Accomplishment: Agency staff has submitted applications requesting federal earmark funds and Community Development Block Grant (CDBG) funds through the City, and Caltrans program funds seeking funding for several infrastructure improvement projects.

Accomplishment: See **Chollas Triangle Area** regarding a San Diego Association of Governments (SANDAG) application for a Smart Growth Incentive Program (SGIP) grant.

Work Program: Bond Financing –

Description: Prepare to issue bonds or obtain a line of credit, which will be secured by tax increment revenue. The goal is to eventually issue tax allocation bond(s) or obtain line(s) of credit to finance improvements, projects, and programs. Increase the amount of financial assistance available for public and private improvements, projects, and programs.

Accomplishment: On July 27, 2010, the Redevelopment Agency approved the sale of Housing (\$3,700,000) and Non-Housing (\$4,300,000) **tax allocation bonds** for Crossroads. The net proceeds from the Housing Bond will be used to fund Affordable Housing and the net proceeds from the Non-Housing Bond will be used to finance, design, construct, install, or replace public improvements and facilities within or adjacent to the Project Area.

Work Program: Public Agency Coordination –

Description: Monitor, coordinate, and expand activities with other public agencies, including business outreach and marketing, housing programs, and infrastructure and park improvements.

Accomplishment: The Redevelopment Agency has entered into a **Memorandum of Understanding (MOU)** with City of San Diego's Neighborhood Code Compliance Division to conduct assertive code enforcement within the Project Area.

Work Program: Education & Communication –

Description: Continue to educate and update communities, organizations, residents, property owners, and business owners on the redevelopment process and issues.

Accomplishment: Agency staff attends monthly Business Improvement District (BID) meetings and, upon request, Community Planning Group (CPG) and community council meetings.

Work Program: Opportunity Fund –

Description: Establish and continue to provide funding for property acquisition and reparcelization efforts.

Accomplishment: Agency staff continues to identify and pursue property for opportunity purchases.

Work Program: CentrePoint Project –

Description: Continue implementation of project. The goal is to develop this project consistent with the community plan.

Accomplishment: On October 27, 2009, the Redevelopment Agency terminated the **Disposition and Development Agreement (DDA)** with CentrePoint LLC to develop a pedestrian-oriented mixed-use project that would incorporate 312 residential dwelling units consisting of 97 townhouses, 204 residential wrap units (47 affordable), and 11 live/work units, and approximately 4,000 square feet of retail space. The Agency recorded affordability covenants for two dwelling units on site and revised the adopted Replacement Housing Plan to provide the two 2-bedroom moderate-income units off site.

Work Program: Chollas Triangle Area –

Description: Solicit ideas and development proposals from property owners, business owners, and other interested individuals or organizations and implement project(s). The goal is to develop these underutilized parcels of land, promote development, and enhance University Avenue.

Accomplishment: On February 3, 2009, the City and Agency applied for a SANDAG Smart Growth Incentive Program grant of \$275,000 to evaluate specific land use and mobility recommendations to encourage a mixed-use transit-oriented village supported by park, open space, and creek enhancements. The Agency also allocated \$225,000 of tax increment funds and the City \$55,000 of in-kind staff services. On May 22, 2009, the SANDAG Board approved the grant for the Chollas Triangle Master Plan. In the fall of 2010, a consultant team was selected for this assignment.

Work Program: Community Participation –

Description: Continue to solicit ideas and development proposals from residents, property owners, business owners, other individuals, and community organizations.

Accomplishment: The Redevelopment Agency provided \$18,000 to the International Rescue Committee to establish the **New Roots Community Farm** at 54th Street and Chollas Parkway, which is within the Project Area. Eighty (80) farming plots have been provided and leased to nearby community residents.

Work Program: Project Area Committee –

Description: Staff the Project Area Committee (PAC) as appropriate to monitor project activities and coordinate community and PAC input.

Accomplishment: Agency staff coordinates and attends monthly **Project Area Committee** meetings.

FINANCIAL RESOURCES

Table 1 below presents the five-year tax increment projections based on the financial analysis included in Table 1 of the Second Implementation Plan (May 13, 2008).

TABLE 1
PROJECTED TAX INCREMENT REVENUES
CROSSROADS REDEVELOPMENT PROJECT AREA
July 2008 to June 2013

Fiscal Year	Gross Tax Increment	Statutory Taxing Agency Payments	Non-Housing Funds	Housing Funds
2008-09	\$ 3,920,774	\$ 815,520	\$ 2,446,562	\$ 815,520
2009-10	\$ 4,077,604	\$ 848,141	\$ 2,544,425	\$ 848,141
2010-11	\$ 4,240,709	\$ 882,067	\$ 2,646,202	\$ 882,067
2011-12	\$ 4,586,750	\$ 917,350	\$ 2,752,050	\$ 917,350
2012-13	\$ 4,770,220	\$ 954,044	\$ 2,862,132	\$ 954,044

Table 2 below present's tax increment revenues that the Agency has received, budgeted, or projected over the five-year period. Table 2 does not include revenue from the recent Redevelopment Agency Tax Allocation Bond issuance. Table 2 identifies: gross tax increment revenue, statutory taxing entity payments, and net tax increment revenue for non-housing and housing funds. Except for Fiscal Year 2008-09, where gross tax increment revenues exceeded forecasted amounts in the Second Five-Year Implementation Plan, the gross tax increment revenues for remaining years of the table are trending below the forecasted revenue amounts. The slumping economy, downturn in the real estate market, foreclosures, and property assessment appeals are all contributing to declining gross tax increment revenue.

The gross tax increment revenues for Fiscal Years 2011-12 and 2012-2013 are based upon the Crossroads Redevelopment Project Area Fiscal Consultant Report (FCR) prepared for the 2010 Crossroads Tax Allocation Bond issue. The FCR conservatively projects revenues to remain flat for those two fiscal years given the weak economy. However, it should be noted that the actual revenues received could either increase or decrease depending on the level of actual growth in the assessed valuation of property within the Project Area.

TABLE 2
ACTUAL, BUDGETED & PROJECTED TAX INCREMENT REVENUES
CROSSROADS REDEVELOPMENT PROJECT AREA
 July 2008 to June 2013

Fiscal Year	Gross Tax Increment Revenue	Statutory Taxing Entity Payments	Net Tax Increment Revenue		
			Non-Housing Funds	Housing Funds	Totals
2008-09¹	\$ 4,312,848	\$ 862,570	\$ 2,587,708	\$ 862,570	\$ 3,450,278
2009-10¹	\$ 3,163,099	\$ 632,620	\$ 1,897,859	\$ 632,620	\$ 2,530,479
2010-11²	\$ 2,647,466	\$ 529,493	\$ 1,588,480	\$ 529,493	\$ 2,117,973
2011-12³	\$ 2,342,600	\$ 468,520	\$ 1,405,560	\$ 468,520	\$ 1,874,080
2012-13³	\$ 2,342,600	\$ 468,520	\$ 1,405,560	\$ 468,520	\$ 1,874,080
Totals	\$ 14,808,613	\$ 2,961,723	\$ 8,885,167	\$ 2,961,723	\$ 11,846,890

Notes: 1) Actual Receipts

2) Fiscal Year 2010-11 Approved Budget

3) Gross Tax Increment projected; July 9, 2010 Fiscal Consultant Report

AFFORDABLE HOUSING

The provisions of Section 33413(b)(4) of the California Community Redevelopment Law (CRL) require the Agency to adopt and periodically update a plan to ensure compliance with the existing criteria of Section 33413 of the CRL regarding the affordability mix of new or rehabilitated housing units.

In order to further the affordable housing goals, the Agency intends to use revenue in the low- and moderate-income housing fund and any other appropriate funds available to the Agency, including, but not limited to: the Department of Housing and Urban Development (HUD) Community Development Block Grants (CDBG) and rental subsidies through the Section 8 program. Available low-income housing tax credits and tax-exempt financing mechanisms may also be used by the Agency. Policies and programs, such as providing affordable housing incentives for developers, permitting manufactured housing, and inclusionary housing programs, will be explored by the Agency.

SUMMARY

Since approval of the Implementation Plan, the Agency has participated in various revitalization projects and activities, including commercial development, affordable housing, infrastructure improvements, and community planning activities. Since the approval of the Second Five-Year Implementation Plan, the economy has slowed; however, progress continues to be made on implementing the Second Five-Year Implementation Plan. Additionally, the Agency has provided administrative support to the Crossroads Project Area Committee (PAC) and encouraged involvement from the College Area Business Improvement District (BID), College Heights Enhanced Maintenance Assessment District (EMAD), community planning groups, and community councils. Over the remaining balance of the Implementation Plan, the Agency shall continue to implement the established objectives of the Redevelopment Plan and Implementation Plan.